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SECURITY FIRST
TASKFORCE
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NEWS RELEASE

CONSERVATIVES REFUTE REPORTS ON COST
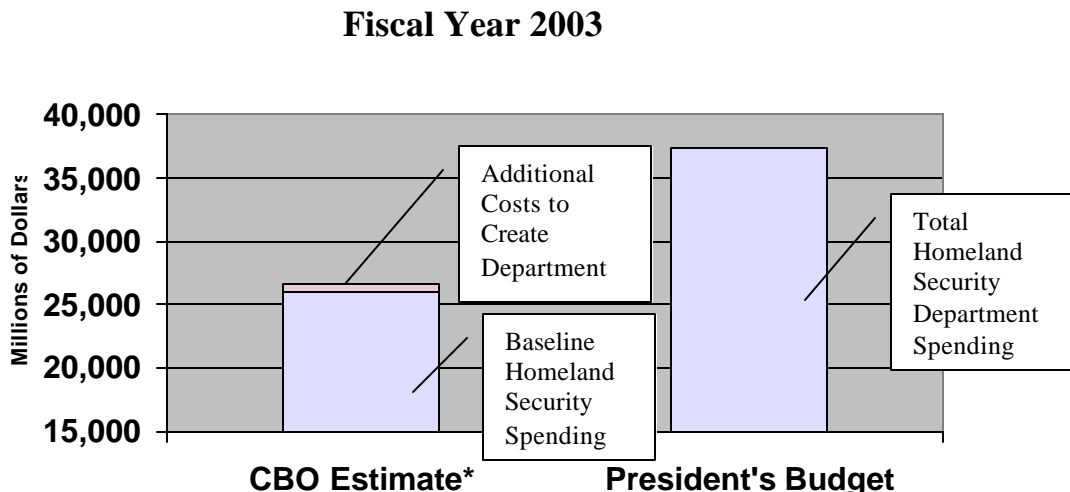## OF CREATING HOMELAND SECURITY DEPARTMENT

WASHINGTON, D.C. – Congressman Mike Pence (R-IN), Chairman of the House Republican Study Committee's Taskforce on Homeland Security, responded today to news reports indicating that it would cost $3 billion to implement the President's proposal to create a Department of Homeland Security.

"The report issued by the Congressional Budget Office was based on their estimate of increases to the Fiscal Year 2002 budget necessary to create the new Department," said Pence. "However, as the President indicated when he announced his proposal, these costs are already accommodated within his FY2003 budget request, which is now working its way through Congress. Nothing in the CBO report contradicts the President's assertion that we can create the new Department of Homeland Security while remaining within his total FY2003 budget request."

The CBO cost estimate indicates that the total cost of creating the new Homeland Security Department will be $26.6 billion in FY2003. This estimate is based on baseline spending of $26 billion for the agencies that will be moved into the new Department and $600 million to actually create the Department. The President indicated when he released his proposal that his FY2003 budget already includes $37.5 billion for these same agencies.

Pence added, "We are confident that with the appropriate amount of discipline here in Congress we can establish the new Department of Homeland Security and remain within the President's proposed budget."

The RSC's Security First Taskforce produced the following chart demonstrating the difference between CBO's estimate and the President's proposal:

Fiscal Year 2003

*CBO Estimate based on FY 2002 spending adjusted for inflation, not the President's request, which has already been accommodated in the House Budget Resolution.